



391 Inverness Parkway, Suite 333
Englewood, CO 80112

*original
Fireproof
C/007/0038
or copy to Incoming*

Mary S. Wong
Director
Risk Management

September 29, 2008

Ms. Angela Nance
State of Utah
Department of Natural Resources
1584 West North Temple, Suite 1210
Salt Lake City, UT 84114-5801

Re: Exhibit "B" Surety Bond to complete the
Authorization to Reduce the Bond Amount as a Result of Removal of Barn Canyon Shaft
Facility, Task ID #2940, Plateau Mining Corporation, Willow Creek Mine, C/007/0038
Bond No. 104329367

Dear Ms. Nance:

Enclosed please find the Stipulation to Revise Reclamation Agreement, Exhibit "B" (Bonding Agreement), to complete our above referenced reduction of Bond No. 104329367 from \$2,275,114 to \$2,175,114.

If you should have any questions, please do not hesitate to contact me at (303) 749.8419 or via e-mail at mwong@foundationcoal.com.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mary S. Wong', followed by a stylized flourish.

Mary S. Wong
Director, Risk Management

MSW/sg

Enclosures

cc: Dennis Ware

RECEIVED

SEP 30 2008

DIV. OF OIL, GAS & MINING

Surety Bond Number 104329367

EXHIBIT "B"
SURETY BOND
(FEDERAL COAL)
--ooOOoo--

This **SURETY BOND** entered into and by and between the undersigned **PERMITTEE/PRINCIPAL** Plateau Mining Corporation, and **SURETY** Travelers Casualty and Surety Company of America, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors and assigns unto the State of Utah, Division of Oil, Gas and Mining (hereafter referred to as the "**DIVISION**"), and the U.S. Department of the Interior, Office of Surface Mining Reclamation and Enforcement (hereafter referred to as "**OSM**") in the penal sum of \$2,175,114.00 (Surety Bond Amount) for the timely performance of reclamation responsibilities of the Permittee in the Bonded Area described in Exhibit "A" of that certain **RECLAMATION AGREEMENT**, dated the _____ day of _____, 20____ by and between the **DIVISION** and the **PERMITTEE/PRINCIPAL**.

This **SURETY BOND** shall remain in effect until all of the **PERMITTEE'S/PRINCIPAL'S** reclamation obligations have been met and released by the **DIVISION** with the concurrence of **OSM** and is conditioned upon faithful performance of all of the requirements of the Utah Coal Mining Reclamation Act, Utah Code Ad. §40-12-2 et. seq. (the **ACT**), the Surface Mine Control and Reclamation Act ("**SMCRA**"), and all lawful regulation adopted under the authority of those statutes, and the approved Permit (which is based upon the approved Permit Application Package).

The **SURETY** will not cancel this bond at any time for any reason, including non-payment of premium or bankruptcy of the **PERMITTEE/PRINCIPAL** during the period of liability.

The **SURETY** and their successors and assigns, agree to guarantee the obligation and to indemnify, defend, and hold harmless the **DIVISION** and **OSM** from any and all expenses which the **DIVISION** may sustain as a result of the **PERMITTEE'S/PRINCIPAL'S** failure to comply with the condition(s) of the reclamation obligation.

The **SURETY** will give prompt notice to the **PERMITTEE/PRINCIPAL**, the **DIVISION** and **OSM** of any notice received or action alleging the insolvency or bankruptcy of the **SURETY**, or alleging any violations or regulatory requirements which could result in suspension or revocation of the **SURETY'S** license.

Upon incapacity of the **SURETY** by reason of bankruptcy, or suspension or revocation of license, the **PERMITTEE/PRINCIPAL** shall be deemed to be without Bond coverage in violation of state and federal law and subject to enforcement in accordance with **SMCRA**, the **ACT**, and the applicable regulations.

Exhibit "B"
Federal Surety Bond
Federal

Surety Bond Number 104329367
Mine Name/Number Willow Creek Mine

The terms for release of this **BOND** are as written and agreed to by the **DIVISION** and the **PERMITTEE/PRINCIPAL** in the **RECLAMATION AGREEMENT**, incorporated by reference herein, to which this **SURETY AGREEMENT** has been attached as Exhibit "B".

In the event the Utah Cooperative Agreement is terminated, this **SURETY BOND** shall be payable only to the OSM to the extent that lands covered by the Federal Lands Program are involved and otherwise to the **DIVISION**.

IN WITNESS WHEREOF, the **PERMITTEE/PRINCIPAL** has hereunto set its signature and seal this 18th day of SEPTEMBER, 2008.

Plateau Mining Corporation

PERMITTEE/PRINCIPAL

By: [Signature]

Title: Vice President Sales & Marketing

IN WITNESS WHEREOF, the **SURETY** has hereunto set its signature and seal this 17th day of September, 2008.

Travelers Casualty and Surety Company
of America

SURETY

By: TARA W. MEALER

Title: Tara W. Mealer, Attorney-in-Fact

SURETY BONDING AGREEMENT ACCEPTED BY THE STATE OF UTAH:

Director
Division of Oil, Gas and Mining

NOTE: An **Affidavit of Qualification** must be completed and attached to this form for each authorized agent\or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with the Agreement. If the **PERMITTEE** is a corporation, the Agreement shall be executed by its duly authorized officer.